

State Aid Study Task Force Minutes
June 21 – 22, 2006 Meeting
Ramkota River Center, Pierre, SD

Wednesday, June 21, 6:00 p.m. – 9:00 p.m.

Wade Pogany from the Department of Education reviewed the 2010E Initiative Goals and Objectives. Wade provided an overview of all six of the goals and the various initiatives that are under each of the goals. Task force members asked questions as they were related to school funding issues.

Rick Melmer reviewed items that had been in the news over the past several weeks that could have a potential on state funding. Those items that were discussed are listed below:

- Graduation Rate
- NCLB reauthorization
- Differential pay for teachers

Rick Melmer reviewed the list of districts in the state and their individual district cost per pupil figures. The districts are ranked with the number one district being the highest cost per pupil across the entire state. Much discussion followed regarding how the department arrived at the figures and the differences between the higher cost districts and the lower cost districts.

The next topic being discussed was the issue of capital outlay. Much discussion has been held regarding the potential need to equalize capital outlay across the state. The department shared information regarding a concept involving a “wealth index”. This concept provided a rating system that would give each district a wealth index for capital outlay reimbursement purposes. Districts that could generate the state average or above through the capital outlay fund would be rated a 1.0 or above. Any district that could not generate the state average in capital outlay levies would be rated below 1.0. These districts would be eligible for reimbursement from the state or any proposed and approved building projects based on the wealth index. For example, if a district was rated as a .75 on the wealth index, the district would receive .25 reimbursement on any approved building projects. There was much discussion regarding this concept with some task force members feeling a need to provide this option and other task force members believing there is no need to address the capital outlay issue.

The Department of Education also shared information regarding 2005 Fall enrollment which is the most current enrollment information available to the department.

Thursday, June 22, 2006

The Department shared information regarding the number of districts in the state under the K-12 enrollment of 200. Discussion was held about whether there should be a minimum district size involving districts across the state. The concept discussed was that if districts were below 200 and not sparse, the districts would need to find partner districts so that when combined would exceed the minimum 200 K-12 enrollment. Some task force members felt that if the small school factor was phased out, there would be no need to establish a minimum district size standard. Others felt that minimum district size could assist in insuring that students have many quality opportunities available to them.

Colleen Skinner provided an overview of the current tax structure with the focus on the 150% rule. The task force overwhelmingly believes that the 150% rule should be repealed so that tax assessments can be equalized across the state.

Dale Bertsch from the Governors Office reviewed sparsity recommendations. Dale took the existing sparsity formula and made modifications determining “natural breaks” in some of the sparsity criteria. The task force reviewed the information and generally supports the sparsity concept. Details on the sparsity formula have yet to be finalized.

The department shared information of the phase out with the small school factor and equalization of other revenue. In addition, the spreadsheet featured a 3% increase each year and identified districts that would win and lose under this proposal. The number of districts that would lose is extensive and this spreadsheet and information generated a great deal of discussion among task force members. Reactions ranged from serious concern to general support based on perspective of the task force member. Several task force members commented that additional funding would assist in the implementation of any small school and other revenue modifications.

A superintendent’s panel was invited to share comments regarding the discussion of the task force over the past day and half. Panel members that were invited and attended are listed below:

Larry Johnke, Irene – Wakonda
Shane Voss, Hurley
Mark Greguson, Chester
Joel Jorgenson, Hamlin
Dean Jones – Tea

The panel members brought their perspective to the discussion based on their individual districts or districts of similar size.

The next task force meeting has been set for September 6th and 7th, 2006 in Pierre. Some of the items that are scheduled to be on the Task Force Agenda are listed below:

- Distance Education / Virtual School Report
- Transportation Services / Cost by District
- Achievement Information including Dakota Step and ACT
- Discussion of Resource Efficiencies – What are efficient districts doing right?
- Status of State Trust Funds